

**TRI-CITY HEALTHCARE DISTRICT
SPECIAL MAIL BALLOT ELECTION**

August 26, 2008

A special mail ballot election to be held on August 26, 2008, has been ordered for the Tri-City Healthcare District. This election is being conducted by mail in order to eliminate the costs of an election board, polls and supplies. Therefore, no polling places are established for this election.

- Your package contains:
1. Official Ballot
 2. The Sample Ballot you are now reading which includes an Impartial Analysis, Exhibits A and B, along with Arguments and Rebuttals.
 3. Postage Paid Return Envelope (blue)

VOTING INSTRUCTIONS

- STEP 1** To vote on the measure, completely darken the oval next to the word "YES" or "NO." Use a pen with dark ink (not red).
- STEP 2** Fold and insert VOTED BALLOT into the return envelope, complete the requested information, sign and seal the envelope.
- STEP 3** Return your OFFICIAL VOTED BALLOT by mail or in person to the Registrar of Voters Office. To be valid, ballots must be received by 8:00 p.m. on Election Day, Tuesday, August 26, 2008.
POSTMARKS ARE NOT ACCEPTED.

Beginning July 28, you may vote and/or turn in your official ballot at the:

REGISTRAR OF VOTERS
5201 Ruffin Road, Suite I
San Diego, CA 92123

SPOILED OR DAMAGED BALLOTS:

If you spoil or damage your ballot, please call the Registrar of Voters Office for assistance at (858) 565-5800.

OFFICIAL BALLOT

**TRI-CITY HEALTHCARE DISTRICT
SPECIAL MAIL BALLOT ELECTION**

Tuesday, August 26, 2008

INSTRUCTIONS TO VOTERS

To vote for a measure, completely darken the oval next to the word "YES" or "NO." Use a pen with dark ink (not red). All distinguishing marks or erasures are forbidden and make the ballot void. If you tear, deface, or wrongly mark this ballot, call the Registrar of Voters Office at (858) 565-5800 for assistance in replacing your ballot.

MEASURE SUBMITTED TO THE VOTERS

PROPOSITION A

To provide advanced, rapid-response life-saving emergency care at Tri-City Medical Center, reduce Emergency Room wait times/overcrowding, and improve medical access following earthquakes, wildfires or other disasters, shall Tri-City Healthcare District issue \$589,000,000 of bonds to repair/renovate/construct/modernize the hospital, including upgrading Emergency, Intensive Care, Cardiac, and Urgent Care facilities, adding advanced medical technology and improving seismic safety; with citizens' oversight, no money for administrators' salaries and all funds improving Tri-City Hospital?



YES



NO

Full text of the proposition
follows the arguments and rebuttals.

VOTER INFORMATION PAMPHLET

The following pages contain a
**TAX RATE STATEMENT, IMPARTIAL ANALYSIS
ARGUMENTS AND REBUTTALS**
and the
FULL TEXT OF THE MEASURE
(Exhibits A and B)

ARGUMENTS and REBUTTALS

Arguments and rebuttals in support of or opposition to the proposed measure are the opinions of the authors and have not been checked for accuracy by any official agency.

TAX RATE STATEMENT

An election will be held in Tri-City Healthcare District (the "District") on August 26, 2008, to authorize the sale of up to \$589,000,000 in general obligation bonds of the District to finance health care facilities as described in the ballot measure (the "Measure"). If the Bonds are approved, the District expects to issue the bonds in more than one series from time to time. Principal of and interest on the Bonds will be payable from the proceeds of tax levies made upon the taxable property in the District. The following three paragraphs are being provided in compliance with Sections 9400-9404 of the Elections Code of the State of California.

1. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the issuance and sale of the first series of Bonds, based on estimated assessed valuations at the time of filing of this statement, is 2.197 cents per \$100 (\$21.97 per \$100,000) of assessed valuation in fiscal year 2007-2008.

2. The best estimate of the tax rate which would be required to be levied to fund this bond issue during the first fiscal year after the issuance and sale of the last series of Bonds, based on estimated assessed valuations at the time filing of this statement, is 2.197 cents per \$100 (\$21.97 per \$100,000) of assessed valuation in fiscal year 2017.

3. The best estimate of the highest tax rate which would be required to be levied to fund this bond issue, based on estimated assessed valuations at the time of filing of this statement, is 2.198 cents per \$100 (\$21.98 per \$100,000) of assessed valuation.

Voters should note that the estimated tax rates are based on the ASSESSED VALUE of taxable property on the County's official tax rolls, not on the property's market value. Property owners should consult their own property tax bills to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that the foregoing information is based upon the District's projections and estimates only, which are not binding upon the District. The actual tax rates and the years in which they will apply may vary from those presently estimated, due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold and market interest rates at the time of each sale, and actual assessed valuations over the term of repayment of the Bonds. The dates of sale and the amount of Bonds sold as any given time will be determined by the District based on need for construction funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of each sale, which in any event will not exceed the legal limit then in effect. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the County Assessor in the annual assessment and equalization process.

This Tax Rate Statement has been prepared and is submitted pursuant to the direction of the Board of Directors of the District.

Dated: May 29, 2008

David Tweedy, Ph.D., Secretary
Tri-City Healthcare District

COUNTY COUNSEL IMPARTIAL ANALYSIS

This measure, if approved by two-thirds of the voters voting on the measure, would authorize the Board of Directors of Tri-City Healthcare District (the "District") to issue and sell up to \$589,000,000 in general obligation bonds in one or more series and at one or more times.

The issuance and sale of general obligation bonds are for the purpose of raising money for the District and represent a debt of the District. In exchange for the money received from the holder of the bonds, the District promises to pay the holder a set amount of interest for a certain period of time, and to repay the loan on the expiration date.

The proceeds of these bonds of the District would be used to provide financing or refinancing for hospital and health care facilities projects consisting of the replacement, expansion, construction, renovation, repair and improvement of health care facilities in the District.

The interest rate on any bond, which is established at the time of bond issuance, may not exceed twelve percent (12%) per annum. The final maturity date of any bond may be no later than forty (40) years after the date of the bond. The dates of sale and the amount of bonds sold at any given time will be determined by the District based upon need for construction funds and other factors. The actual interest rates at which the bonds will be sold will depend on the bond market at the time of each sale, which in any event may not exceed the legal limit then in effect.

The measure incorporates the bond accountability requirements of state law as well as establishment of an independent citizen's oversight committee.

Principal and interest on the bonds would be paid by revenue derived from an annual tax levied upon the taxable property within the District in an amount sufficient to pay the interest as it becomes due and to provide a sinking fund for payment of the principal on or before maturity. Article XIII A of the California Constitution exempts from the one percent property tax rate limitation ad valorem taxes to pay the interest and redemption charges on any bonded indebtedness for the acquisition or improvement of real property approved by the voters on or after July 1, 1978. The approval must be by two-thirds of the votes cast by the voters voting on the proposition. Legal authorization is contained in state law permitting health care districts to issue bonds at the interest rate, for the period of time, and for the specified purposes, subject to two-thirds voter approval.

A "yes" vote is a vote in favor of authorizing Tri-City Health Care District to issue bonds for the purposes stated in the measure.

A "no" vote is a vote against authorizing Tri-City Health Care District to issue bonds for the purposes stated in the measure.

ARGUMENT IN FAVOR OF PROPOSITION A

As most patients, health professionals and local citizens know, Tri-City Hospital is now nearly 50 years old, outdated, too small, seismically non-compliant, and must be upgraded or eventually it will have to close leaving our community without a local hospital or Emergency Room.

Following the narrow defeat of two measures in 2006 seeking authorization to complete such upgrades, doctors, nurses, patients, seniors, local residents and community members participated in developing a comprehensive facilities master plan in a last chance effort to rebuild the hospital we need. Proposition A gives us that chance.

Proposition A provides a prudent, responsible plan to repair and renovate our local hospital, including expanding the Emergency Room to relieve overcrowding and reduce ER wait times, modernizing and expanding the Intensive Care Unit, building an Urgent Care Facility, upgrading medical technology and aging building systems, and completing seismic upgrades for earthquake safety.

If you have doubts, consider these facts:

- For victims of heart attacks, strokes, accidents and other emergencies, Tri-City Hospital is the closest Emergency Room. Seconds can make the difference between life or death in an emergency. Proposition A ensures an Emergency Room is close when you or your family need it most.
- All funds will stay in our community to improve healthcare at Tri-City Hospital. An Independent Citizens' Oversight Committee and annual audits are mandatory.
- The cost is affordable--\$21.98 per \$100,000 of assessed value, not market value. The cost of the bond is tax deductible. Tri-City has already committed all available resources to this project. No state, federal or other sources of funding exist.

No one knows when a life-threatening emergency or natural disaster will strike. Proposition A will help ensure that quality emergency care in our community will be there when you need it most.

Please vote YES on A.

JOANNE E. CHAVEZ
39-year Oceanside Resident

BERNARD RAPPAPORT
Former Mayor, City of Vista

CHRIS LAWRENCE
Firefighter/Carlsbad Resident

CHARLA REECE
Nurse, Tri-City Hospital
Oceanside Resident

NEIL R. JOEBCHEN
Emergency Room Doctor, Tri-City Hospital/Carlsbad Resident

REBUTTAL TO THE ARGUMENT IN FAVOR OF PROPOSITION A

The opponents of PROPOSITION A would like to highlight the drama that the representatives of Tri-City Medical Center want us to believe. Without rebuilding, they state the hospital will “have to close”. This is the same drama that we hear in every election. How many times have we heard that without tax increase ‘X’ we will have to fire all of our teachers, police and firemen, or in this case, close a hospital? Enough Drama!

At Stop Taxing Us (www.StopTaxingUs.com) we are actually dedicated to the success of the Medical Center, but success as a business entity – not success as a tax burden on our residents, many of whom may never use the hospital. Furthermore, while seconds do count in an emergency, for TENS OF THOUSANDS of our local citizens, Tri-City is neither the closest, nor the most efficient Emergency Room.

The challenges faced by Tri-City medical center, are the same challenges that we as citizens plan for daily. A leaky roof, a bust pipe, a broken down car are just a few examples of things that we save money for in case of their eventuality. In Tri-City’s case, they failed to save, but they paid plenty of bonuses!

Hospitals throughout California, and the nation for that matter, have found ways to compete in the challenging changing times that have been imposed by our federal and state government. In the case of Tri-City, the LEADERSHIP HAS FAILED US FOR DECADES and is not looking for a bailout. They call this BAILOUT a charitable contribution, but in the United States, charity is given of our own free will. It is not imposed, and most of us give because we want to, not because we need a tax deduction. Please Vote No on A and let’s build a competitive hospital.

GARY D. GONSALVES, M.D.
Medical Doctor

DOROTHY ADAMS
RN

LEE F. BACON
Registered Nurse

JULIA SPRAGG
Administrator

ARGUMENT AGAINST PROPOSITION A

Tri-City Medical Center (TCMC) will introduce a bond which we the voters have previously rejected – twice. While TCMC has repeatedly asked for a half of a BILLION dollars, TCMC has in the past awarded lucrative bonuses rather than using scarce resources toward improving our hospital. Our argument is TCMC has lacked the proper planning which could have averted any bonds. TCMC has known for a long time they needed to retrofit the hospital. The current hospital board, by all indicators, will have given ANOTHER BONUS to the CEO when you read this.

TCMC gross mismanagement is further demonstrated by failing to recognize trends in medicine that began in the early 1980’s. Medicare has changed payment their payment structure to hospitals for patient care. Rather than acknowledging this fact and planning accordingly, TCMC management sat idle for DECADES. Again at the federal level, a lack of immigration control has created a large unfunded population that costs the California taxpayers billions of dollars annually. It should not be the burden of the citizens of Carlsbad, Oceanside and Vista to fund the poor decisions of TCMC. Furthermore, it was the DUTY of TCMC management to recognize these problems and prepare for the coming adversity. TCMC’s dereliction of their duty mandates a new CEO, not new taxes.

In 2006 tens of thousands of voters rejected this bond for many a good reason, including MISGUIDING critical resources, gross lack of definition in the language of this and previous bond proposals and lack of long term vision by TCMC leadership.

The money they spent on T.V. ads, special elections, general staff bonuses, creating new positions, hires too many consultants, gives EXORBITANT RAISES, BONUSES and retroactive raises for the CEO could have gone to retrofit the hospital, and save many in North County from more UNNECESSARY TAXES.

The opposition of this bond measure have several, highly educated members of the community (business people, doctors, and degreed individuals) who have dissected this proposition and they do not find the value in having a THIS bond. They recommend you look at www.stoptaxingus.com and decide to vote no on A.

GARY D. GONZALVES
Medical Doctor

JULIA SPRAGG

REBUTTAL TO THE ARGUMENT AGAINST PROPOSITION A

Don't be fooled by the opponents' tactics to distract you from the truth about Proposition A by deliberately misleading you with inaccurate statements.

Proposition A is about one thing: ensuring lifesaving medical treatment in our community—especially for seniors and those needing emergency care.

Here are the facts:

FACT: Proposition A will authorize required upgrades to keep our hospital open. Without these upgrades, Tri-City Hospital will eventually close. It's that simple.

FACT: When you need emergency care you need it fast. But our Emergency Room is now the 2nd busiest in San Diego County. ER wait times average 3-8 hours. Proposition A will upgrade and expand our Emergency Room, reducing wait times and improving efficiency. Without it, ER wait times and overcrowding will continue and grow.

FACT: Tri-City Hospital was built nearly 50 years ago! It's outdated, too small, ill-equipped to handle advancing medical technology, and seismically non-compliant. By law, these facilities must be upgraded or closed. No state, federal or other funding sources exist to upgrade the hospital.

FACT: A modern hospital with advanced medical technology helps attract and retain the best doctors, nurses and specialists. Without Proposition A, many outstanding Tri-City healthcare professionals will leave for better medical facilities elsewhere.

Firefighters, police, nurses, doctors and emergency providers throughout the Tri-Cities, who understand the importance of local access to emergency care, urge your support.

If you care about ENSURING local access to quality healthcare facilities, help make it true for our community. Please—VOTE YES on Proposition A.

JOHN M. GREEN
Retired Major U.S.M.C.
Carlsbad Resident

LYDIA BUSTOS
Vista Businesswoman
Oceanside Resident

JOHN STEINBACHER
Emergency Medical Technician
Carlsbad Resident

LOIS M. MILAM
25-Year Tri-City Hospital Volunteer
Oceanside Resident

LEANOR RAPPAPORT
39-Year Vista Resident

EXHIBIT A FULL TEXT

HOSPITAL, EMERGENCY, CRITICAL CARE AND FACILITIES IMPROVEMENT MEASURE

This Measure shall be known and referred to as the "Tri-City Healthcare District Hospital, Emergency, Critical Care and Facilities Improvement Measure" or as Measure A.

FINDINGS

Tri-City Healthcare District ("the District") owns and operates Tri-City Medical Center (TCMC), which is the major provider of health care services, including emergency and acute care services to the residents of the District (including the majority portions of Oceanside, Carlsbad and Vista). In addition to providing health care services, Tri-City Medical Center also contributes \$448 million annually in direct and indirect economic benefits to the community. Tri-City Medical Center was originally built in 1961 to serve a community of 50,000. TCMC's primary service area population is now estimated at more than 495,000 and expected to grow to nearly 604,000 residents by 2023, including a steadily increasing senior population. Tri-City Medical Center must upgrade and expand its facilities, including its Emergency Department, urgent care facilities, critical care units and upgrade and expand its aging facilities to accommodate modern technology and serve its growing community.

Over the next fifteen years, Tri-City Medical Center faces a number of critical challenges to continue to provide quality health care services. These include:

- Tri-City Healthcare District residents depend on Tri-City Medical Center for emergency care. TCMC's Emergency Department is the second busiest in San Diego County with approximately 70,000 patients seen annually; that number is projected to increase to approximately 80,000 by 2010. Approximately 50 ambulances arrive at the TCMC ER with patients each day. The expansion and remodel of the TCMC Emergency Department must be completed to reduce overcrowding and ER wait times.
- Tri-City Healthcare District residents also depend on Tri-City Medical Center for treatment of urgent but non-life-threatening medical needs. Expanded facilities to provide Urgent Care Services are required to address these needs and to help reduce overcrowding and ER wait times at Tri-City Medical Center.
- The original Tri-City Medical Center is 47 years old and facility upgrades are needed to support the latest advances in medical technology for patient diagnosis, treatment and recovery.
- Tri-City Medical Center's Intensive Care Unit is 40 years old and must be expanded and upgraded to accommodate more patients and advanced medical technology.
- Tri-City Medical Center's core infrastructure is aging and deteriorating and needs to be renovated, upgraded or replaced, including plumbing, electrical, lighting, heating, ventilation. The Central Plant must be upgraded and expanded to support modern technology and to accommodate growth.

EXHIBIT A

FULL TEXT (Continued)

- Seismic upgrades must be made to meet stricter California legal requirements. According to experts, due to the existing construction of the core central structure with all utilities running through it, it is possible that a moderate earthquake could make the hospital inoperative. Replacement of the core building will be designed so that Tri-City Medical Center should remain open and in operation to serve District residents in the case of earthquakes, wild fires and other major disasters.
- Parking is currently inadequate and will not be able to accommodate projected increases in numbers of patients and staff.

Tri-City Healthcare District, with input from its medical and nursing staff, professional and support personnel and members of the public, including 300 meetings with over 1,000 total people present, and by televised meetings of the Board of Directors, has developed a comprehensive Tri-City Medical Center Master Facilities Planning Study (the "Study"). This document, approved on January 10, 2008, addresses the existing and future health care needs of the increasing population of the District, including each of the following objectives at Tri-City Medical Center's existing Oceanside campus: (1) expand and renovate the Emergency Department in order to relieve overcrowding and reduce wait times; (2) modernize the Intensive Care Unit; (3) expand Urgent Care Service facilities; (4) construct, replace, renovate and repair facilities to accommodate advanced medical technology; (5) upgrade core infrastructure including plumbing, electrical, lighting, heating, ventilation; and (6) complete state-mandated seismic upgrades. The Master Facilities Planning Study calls for the program changes to occur on the existing Tri-City Medical Center campus, approximately 50% of the changes from new construction and 50% from renovation to and improvements of existing structures.

The Board has identified a variety of funding sources to achieve the purposes outlined in the Study, including existing and future hospital revenues, District debt capacity and philanthropic donations. While the Board will utilize these sources of funds to finance facilities and equipment to the extent possible, a local general obligation bond will be necessary to complete funding of the needs identified.

BOND AUTHORIZATION

By approval of this Measure by at least two-thirds of the qualified voters voting, the District shall be authorized to issue bonds in the principal amount of \$589,000,000 to provide financing for hospital and health care facilities projects consisting of the replacement, expansion, construction, renovation, repair and improvement of health care facilities in the District, subject to all of the accountability safeguards specified in this Measure.

The Board plans and expects to use proceeds of the bonds authorized by this Measure to finance or refinance various components of Tri-City Medical Center's Master Facilities Planning Study, including the following project elements:

Construction, Demolition, Expansion, and Addition of Facilities at TCMC

- Expand and renovate Emergency Department and facilities for Urgent Care Services.
- Construct two patient bed facilities for intensive care, intermediate care and general medical/surgical beds.

EXHIBIT A

FULL TEXT (Continued)

- Demolish seismically noncompliant Center and South buildings.
- Increase public accessibility and ease wayfinding by constructing central multi-level connections including public access and other elements on the lower level of the facility.
- Provide clinical support areas including respiratory therapy, laboratory, pharmacy, central sterile processing, materials management, loading dock and service entry.
- Construct a multi-level parking structure to increase accessibility and meet future needs. Expand and upgrade Central Plant to support modern technology and accommodate growth.

Renovations, Repairs and Upgrades to Tri-City Medical Center Campus

- Renovate existing Maternity Center and relocate Neonatal Intensive Care Unit (NICU) to be near maternity unit.
- Expand Observation Unit and Post-Anesthesia Care Unit (PACU) for pre-op or post-op patients.
- Locate critical clinical departments near each other to increase patient safety and hospital efficiency and effectiveness.
- Renovate medical facilities to support future advances in medical technology for improved patient diagnosis, treatment and recovery.
- Renovate, upgrade or replace aging and deteriorating plumbing, electrical, lighting, heating, and ventilation in the core hospital infrastructure.

Earthquake Safety Upgrades

- Upgrade Tri-City Medical Center to meet California seismic legal requirements.

With input from the community, the District Board has reserved the right to change its Master Facilities Planning Study from time to time, and to finance authorized projects with the Bonds as it deems advisable and necessary. The inclusion or specification of a project in the foregoing list or in the Master Facilities Planning Study is not a guarantee that such project will be constructed or completed, or that it will be constructed or completed as described above or in the Master Facilities Planning Study at any particular time or in any particular order of priority. Projects and upgrades will be completed as needed according to Board-established priorities. This Measure authorizes the financing of projects, and shall not be deemed to be an approval of any "project" for purposes of the California Environmental Quality Act.

Specific Purposes. All of the purposes enumerated in this Measure shall constitute the specific purposes of the Bonds, and proceeds of the Bonds shall be spent only for such purposes, in accordance with California Government Code Section 53410.

EXHIBIT B

ACCOUNTABILITY PROVISIONS

Independent Citizens' Oversight Committee. If this Measure is approved, the Board shall establish an Independent Citizens' Oversight Committee (ICOC) within ninety (90) days of the date the Board enters the results of the election. Such Independent Citizens' Oversight Committee shall (i) be comprised of at least nine (9) members, each member to be selected by the Board through a public application process to serve without compensation, (ii) include one member active in a taxpayers' organization, one member active in a senior citizens' organization, one member active in a business organization, one nurse or physician, and five at-large members; resignation from such taxpayers' organization, senior citizens' organization or business organization, as applicable, to be deemed a concurrent resignation from the ICOC; three members of the ICOC shall be appointed by the Board to serve for an initial term of one year, three members of the ICOC shall be appointed by the Board to serve for an initial term of two years, three members of the ICOC shall be appointed by the Board to serve for an initial term of three years, each member thereafter appointed to the ICOC by the Board to serve for a term of three years; each member of the ICOC shall serve for no more than two consecutive terms, (iii) be provided with each report provided to the Board in accordance with the Measure and (iv) remain in existence for so long as any proceeds of the Bonds remain unexpended. If the Measure is approved, the Board shall establish, by one or more resolutions, such additional provisions and procedures as shall be necessary to provide for the formation and operation of the Independent Citizens' Oversight Committee. Such provisions and procedures will address, to the extent possible, Bylaws, Conflict of Interest Policies, Ethics Code, ICOC resources and such other responsibilities as the Board and ICOC deem necessary and will, to the extent legally permissible, comport with oversight guidelines set out by the San Diego County Taxpayers Association.

No Money for Administrators' Salaries. Proceeds from the sale of the Bonds authorized by the Measure shall be used only for (1) costs incurred in connection with expansion, improvement, and construction of medical facilities as specified in the Measure, and (2) costs of issuance of the Bonds from time to time, and not for any other purpose, including staff and administrator salaries or other operating expenses.

Special Bond Proceeds Account; Annual Audit and Report to Board. The Board hereby directs that a separate account shall be established for deposit of proceeds of the sale of the Bonds authorized by the Measure.

For so long as any proceeds of the Bonds remain unexpended, the Chief Executive Officer of the District (the "CEO") shall cause a report to be filed with the Board no later than five (5) months after the end of each fiscal year, commencing with the first fiscal year during which any proceeds of Bonds have been received by the District. The report may be incorporated into or filed with the audit or other appropriate report provided to the Board. Audited financial statements of the District will continue to be made available in accordance with applicable requirements.

**POLLWORKER
RECRUITMENT
AD**

GOES HERE

(See separate email)